

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (5/9):
BUTTER: Grade AA closed at \$1.0875. The weekly average for Grade AA is \$1.0892 (+.0050).

CHEESE: Barrels closed at \$1.1550 and blocks at \$1.1575. The weekly average for barrels is \$1.1400 (+.0230) and blocks, \$1.1575 (+.0130).

NONFAT DRY MILK: Extra Grade closed at \$0.8400 and Grade A at \$0.8400. The weekly average for Extra Grade is \$0.8400 (N.C.) and Grade A, \$0.8400 (N.C.).

BUTTER: At the CME, cash butter continues to trade in a narrow range. Churning schedules across the country are seasonally very active. Cream volumes are readily available in most areas and often surplus cream volumes are moving from one region to another. Ice cream production is increasing seasonally, although not at the pace of previous years at this time, thus additional cream offerings to butter producers are heavy. Butter stocks continue to build at most locations across the country as demand is often not keeping pace with production, thus inventories continue to increase. Butter demand is slow, fair at best. In instances, some scattered retail feature activity is occurring, stimulating improved butter sales.

CHEESE: The cheese market is steady to firm. Cash cheese prices remain above support prices at the Chicago Mercantile Exchange. Cheese production is seasonally active. Process demand is improving for outdoor grilling and from food service accounts in vacation areas. Natural interest is irregular. CCC continues to purchase cheese under the price support program, mainly product already in the pipeline before recent price increases. The CCC yearly purchase invitations have been delayed by an amendment. The annual cheese invitation results are scheduled for public release on May 13 - 14. Cumulative first quarter 2003 estimated cheddar cheese production totals 707.5 million pounds, down 19.8 million pounds (-2.7%) from the same months in 2002. Total cheese output during the first quarter totals 2.104 billion pounds, off 23.7 million pounds (-1.1%).

FLUID MILK: Milk processing was affected by the severe weather in the Midwest and Mid-South with at least one plant down for several days. Farm pickup schedules and milk deliveries were impacted by the storms and localized flooding. Bottled milk demand is lower in local areas around the country where schools and colleges are closing. Milk supplies are holding mostly steady in the Midwest. Output in the Northeast is increasing slightly while milk is thought to be at or nearing the peak in the Southeast, Florida, and some Gulf States. In the Pacific Northwest, milk production is steady to slightly higher. Production in Utah and Idaho is also increasing seasonally.

Northern California conditions are wet and causing stagnation in milk output. In the Central Valley milk production is higher and above year ago levels. Southern California may have peaked. New Mexico milk supplies remain heavy at levels well above last year.

DRY PRODUCTS: Heavy supplies and weak demand characterize most dry dairy product markets. Nonfat dry milk production is seasonally heavy to process increasing milk supplies. Demand is light to fair with surplus product clearing to the support program at heavy volumes. Instant and fortified NDM are being made for export programs. Buttermilk prices continue to erode during a period of light demand. Drying levels are active. Stocks are available in all areas. Whey prices are under pressure in all regions as cheese production remains strong and puts more whey solids through plants. Demand is light for domestic and export orders. Producers are lowering prices to try to stimulate new interest for their often building stocks. Buyers are bidding lower than market prices to see where producers will sell whey. Whey protein concentrate prices are lower in a weak market trend. While some producers are in better inventory shape, WPC is being discounted by many producers to invoke sales. The lactose market remains the exception in the dry product markets. Prices are unchanged in a steady to firm market. Demand is good from domestic and export accounts.

CCC: For the week of May 5 - 9, CCC purchased 888,464 pounds of bulk and 369,360 pounds of print butter from the West. Cheese purchases included 2,217,600 pounds of process and 79,214 pounds of block from the Central and 225,818 pounds of blocks from the West. Net NDM purchases totaled 23,979,950 pounds, including 125,332 pounds of fortified. Central purchases totaled 880,169 pounds, Eastern 2,413,563 pounds, and West 20,560,886 pounds.

MARCH DAIRY PRODUCTS (NASS): Butter production was 126.6 million pounds in March, 0.9% below March 2002 and 1.4% below February 2003. American type cheese production totaled 315.9 million pounds, 1.9% below March 2002 but 10.6% above February 2003. Total cheese output (excluding cottage cheese) was 733.1 million pounds, 1.3% below March 2002 but 12.2% above February 2003. Nonfat dry milk production, for human food, totaled 146.2 million pounds, 4.5% below March 2002 but 12.2% above February 2003. Dry whey production, for human food, was 95.8 million pounds, 4.4% above March 2002 and 13.9% above February 2003. Ice cream (hard) production totaled 73.4 million gallons, 3.2% below March 2002 but 3.9% above February 2003.

****SPECIAL THIS ISSUE****

BUTTER AND CLASS III & IV MILK FUTURES (PAGE 7)

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8)

ANNUAL 2002 MILK MARKETINGS/CASH RECEIPTS BY STATE (PAGE 9)

APRIL MILK ORDER CLASS AND COMPONENT PRICES (PAGE 10)

MARCH DAIRY PRODUCTS (PAGE 11)

**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MAY 5	TUESDAY MAY 6	WEDNESDAY MAY 7	THURSDAY MAY 8	FRIDAY MAY 9	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.1300 (N.C.)	\$1.1300 (N.C.)	\$1.1300 (N.C.)	\$1.1550 (+.0250)	\$1.1550 (N.C.)	+.0250	\$1.1400 (+.0230)
40# BLOCKS	\$1.1575 (N.C.)	\$1.1575 (N.C.)	\$1.1575 (N.C.)	\$1.1575 (N.C.)	\$1.1575 (N.C.)	N.C.	\$1.1575 (+.0130)
BUTTER							
GRADE AA	\$1.0900 (+.0025)	-----	\$1.0900 (N.C.)	-----	\$1.0875 (-.0025)	N.C.	\$1.0892 (+.0050)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$.8400 and Grade A price is \$.8400. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, MAY 5, 2003

CHEESE -- SALES: 8 CARS 40# BLOCKS: 2 @ \$1.1550, 1 @ \$1.1575, 2 @ \$1.1550, 1 @ \$1.1575, 1 @ \$1.1550, 1 @ \$1.1575; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.1600

BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$1.0925, 2 @ \$1.0900; BIDS UNFILLED: 13 CARS GRADE AA: 4 @ \$1.0900, 4 @ \$1.0875, 2 @ \$1.0850, 3 @ \$1.0825; OFFERS UNCOVERED: NONE

TUESDAY, MAY 6, 2003

CHEESE -- SALES: 13 CARS 40# BLOCKS: 1 @ \$1.1550, 1 @ \$1.1575, 2 @ \$1.1550, 1 @ \$1.1575, 1 @ \$1.1550, 1 @ \$1.1575, 1 @ \$1.1550, 1 @ \$1.1575, 1 @ \$1.1550, 1 @ \$1.1575; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1600

WEDNESDAY, MAY 7, 2003

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.1550, 1 @ \$1.1575; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.1600
BUTTER -- SALES: NONE; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.0825, 3 @ \$1.0800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1000

THURSDAY, MAY 8, 2003

CHEESE -- SALES: 1 CAR BARRELS @ \$1.1550; 4 CARS 40# BLOCKS: 1 @ \$1.1550, 1 @ \$1.1575, 1 @ \$1.1550, 1 @ \$1.1575; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1550; 2 CARS 40# BLOCKS @ \$1.1575; OFFERS UNCOVERED: NONE

FRIDAY, MAY 9, 2003

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1550; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 10 CARS GRADE AA: 1 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0875, 1 @ \$1.0850, 1 @ \$1.0875, 1 @ \$1.0850, 1 @ \$1.0900, 1 @ \$1.0850, 1 @ \$1.0900, 1 @ \$1.0875; BIDS UNFILLED: 7 CARS GRADE AA: 1 @ \$1.0875, 1 @ \$1.0850, 2 @ \$1.0825, 3 @ \$1.0800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.1000

BUTTER MARKETS**MARCH BUTTER PRODUCTION**

During March 2003, butter production in the United States totaled 126.6 million pounds, 0.9% less than March 2002 and 1.4% less than February 2003. The following are March to March changes for various states: CA -2.9%, NY -12.4%, PA -20.4%, and WI +5.3%.

NORTHEAST

The butter market tone is steady. At the CME, cash butter continues to trade in a narrow range. However, deliveries on May futures may have some impact on prices during the course of the month. Cream supplies remain excessive in the East and volumes continue to clear to local and Midwestern butter makers. Butter stocks remain more than ample. Retail sales of print butter are very slow. Demand for bulk is also slow. Inventory accumulations are being noted at producers' plants, but this is typical for this time of year. Sales of bulk butter f.o.b. East, are reported in a range of flat market to 4 cents over the CME price/average. During March, butter output in the North Atlantic region (as defined by NASS) totaled 13.2 million pounds, 14.4% less than March 2002 but 0.9% more than February 2003. That is not a large increase from last month when taking into account the days per month.

CENTRAL

In recent CME cash butter trading sessions, the price has regained a portion of the weakness recorded in previous trading sessions. Many Midwestern butter producers and handlers do not foresee significant additional strength to the cash price at this time and would be more comfortable with prices more in line with the support of \$1.05. This would provide a margin for interest and inventory costs during the coming months, for many do not see the butter price gaining much strength during the last half of the year. In many instances, churning activity is seasonally

heavy as local and out of area cream supplies remain heavy. Some butter producers are quite surprised at the volume of surplus cream that is available in the market place at this time of the season. In years past, ice cream production usually absorbs a significant portion of available cream, but this year, it appears that this is not the case. Although ice cream production is increasing slowly, butter producers are often able to negotiate a favorable price for the surplus cream versus a supplier maintaining ownership of unsold cream. Butter demand is fair at best. Typical for this time of the spring, butter orders for both retail and food service needs are usually placed for short term needs and this year is no different. Bulk butter for spot sale is in a range of flat to 2 cents per pound over various pricing basis.

WEST

Butter prices at the CME cash market continue to show no real direction and trade in a narrow range. Some features continue to take place in retail stores, somewhat unusual for the time period just after Easter. An explanation might be the current, relatively low price level. Production of butter remains heavy in the West. Little interest is noted from cream users that have a seasonal component to their demand side. Offerings of bulk and print butter remain heavy. U.S. butter production in March dropped below year ago numbers for the first time in a number of months. The Western region output was down 2.3% to stand at 50.6 million pounds. This region produces about 40% of total U.S. butter. Weekly CME warehouse butter totals increased by 5.2 million pounds this past week. Stocks now stand at 177.2 million pounds and have increased for 20 consecutive weeks. Stocks are about 18% ahead of last year's peak number which was reached in June. Current prices for bulk butter range from 4 1/2 cents under to 2 cents under the market based on the CME with various time frames and averages (includes CCC sales when applicable).

NASS DAIRY PRODUCT PRICES**U.S. AVERAGES AND TOTAL POUNDS**

WEEK ENDING	CHEESE 40# BLOCKS	BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
MAY 3	1.1019 7,645,581	1.1049 8,552,378	0.8021 38,313,571	1.0745 2,823,092	0.1477 11,324,764

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are mostly higher as the CME averages increased more than two cents last week. The cash price at the CME moved higher most of last week, but has been steady for the last two sessions (through 5/5). Some contacts wonder about rising prices during a time of plentiful milk supplies and slower demand. Despite all the surplus milk that is being reported in the East and other regions, March's total cheese output shows a 1.3% decline from last March. Eastern cheese makers still report that milk is readily available, should they want more. Cheese stocks are more than ample for current needs. There are still a few, smaller operations that are down on weekends to limit their stock accumulations. Retail sales are steady, but food service orders are heavy this week. Distributors are actively filling restaurant orders for Mother's Day.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2050-1.7000
Cheddar Single Daisies	:	1.1625-1.6275
Cheddar 40# Block	:	1.2800-1.5275
Process 5# Loaf	:	1.3275-1.5275
Process 5# Sliced	:	1.3475-1.5950
Muenster	:	1.3675-1.5725
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is steady. Traders feel that purchase support will continue to be needed to keep current cash cheese prices above support on the Chicago Mercantile Exchange. A few traders have questioned the March 2003 U.S. cheddar and total cheese production estimates being below March 2002 when compared to the higher than year ago 2003 March milk production estimate. Natural interest remains irregular from firm to firm and week to week, ranging from slow to occasionally fairly good. Commercial process interest is improving slowly for at home grilling and for food service accounts, especially near vacation areas. The current barrel price is above the support price, ending the use of fresh barrels to make process for sale to CCC. One concern expressed with a recent plant closing notice is what plant(s) will increase muenster production to make up the difference. The CCC annual year purchase offers were due this week with the results scheduled for public release on May 13 and May 14. Estimated March total cheese output in selected Midwestern states is: Wisconsin 185.2 million pounds, down 9.3 million pounds (-4.8%); Minnesota 55.9 million pounds, up 1.8 million pounds (3.2%); Iowa 23.0 million pounds, off 1.7 million pounds (-7.0%); and Ohio 14.1 million pounds, up 602,000 pounds (4.4%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2975-1.4600
Brick And/Or Muenster 5#	:	1.4800-1.8025
Cheddar 40# Block	:	1.4400-2.1150
Monterey Jack 10#	:	1.7000-2.1150
Blue 5#	:	1.8950-2.1900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4300-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9500-2.6850

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
05/05/03	89,407	:	134,708
05/01/03	86,740	:	134,874
CHANGE	2,667	:	-166
% CHANGE	3	:	N.C.

WEST

Some price strength for both natural and process cheese is noted for the first time in about a month. Some contacts are surprised at the price strength during the spring flush. Others report additional cheese demand with limited supplies of fresh cheese available to fill this interest. These contacts report the tightness is more demand driven than supply based. Production in early May is seasonally heavy. Interest in mozzarella is increasing based on more feature activity. U.S. mozzarella production was down 1.4% in March. Swiss output was up 4.7% reaching 21.8 million pounds. Swiss sales are fair at best with some reports of stocks somewhat heavier than desired for this time of year. Total U.S. cheese production was 733.1 million pounds during March, down 1.3% from a year earlier. Production has declined for the past two months. California was +4.0%, Idaho +3.8%, and Utah -7.9%. The Western region in total produced 282.6 million pounds of cheese during March, 2.1% more than last year and about 39% of total U.S. production.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2675-1.5275
Cheddar 40# Block	:	1.2750-1.4150
Cheddar 10# Cuts	:	1.4550-1.6750
Monterey Jack 10#	:	1.4650-1.6250
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.3700

FOREIGN

Prices are steady on most imported items, higher on domestically made cheeses. The market tone is generally weak, but some renewed interest in the food service channels was noted this week. Most likely the improved demand was from restaurants getting ready for the very busy Mother's Day business. According to reports out of Europe, cheese output has increased in several countries during the first quarter of the year. Preliminary data for EU cheese output in January totals 555,200 MT, 0.9% above January 2002. Some of the largest percentage gains were seen in Spain and Austria. Decreases were seen in the UK, Portugal, Denmark, and France.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.5500	1.5000-2.9900*
Gorgonzola	3.6900-5.9400	2.0175-2.4900*
Parmesan (Italy)	TFEWR	2.9100-3.0000*
Romano (Italy)	2.1000-3.1900	-0-
Provolone (Italy)	3.4400-5.5000	1.5075-1.7350*
Romano (Cows Milk)	-0-	2.6975-4.8700*
Sardo Romano (Argentina)	2.8500-3.2900	-0-
Reggianito (Argentina)	2.6900-3.2900	-0-
Jarlsberg-(Brand)	2.7500-3.7900	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	TFEWR	-0-
Edam	:	:
2 Pound	TFEWR	-0-
4 Pound	2.1900-2.9900	-0-
Gouda, Large	TFEWR	-0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	27.8000-31.7000	-0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	192	0	159	0	82
SOUTHEAST STATES	0	0	0	0	0	0

EDITOR'S NOTE: Due to changes in milk supply agreements, milk import/export totals are not directly comparable to year ago figures and to shipments prior to April 1, 2003.

The following are the April 2003 Class and component prices under the Federal Milk Order pricing system: Class II \$10.44 (down \$0.10 from March), Class III \$9.41 (up \$0.30); and Class IV \$9.73 (down \$0.06). The following are the product price averages used in computing Class prices: butter \$1.0736, NDM \$0.8030, cheese \$1.0997, and dry whey \$0.1582. The Class II butterfat price is \$1.1573 and the Class III/IV butterfat price is \$1.1503. Milk production is mostly steady in the southern parts of the East, but slowly increasing toward the peak in the north. Florida and the Gulf Coast states may have reached their peak and hot weather is starting to take its toll on the cows and the milk flow. New England and New York contacts are still reporting small increases, but they expect warmer weather and pasture/alfalfa growth will cause milk output to show additional gains. Storms in the Mid-South dumped heavy rain and caused power outages in many areas. Some farm pick-ups were delayed by flooding conditions and some plants were without power for several days. This caused many logistic problems for milk handlers and truckers. It is not yet known if any farm milk was lost and contacts reported that milk quality has not yet been affected. Bottled milk sales are reported as slow to fair, steady at best. Some colleges are winding up classes for the year and many southern schools will finish up later this month. Surplus milk supplies are excessive and most operations are at or near capacity. However, there is processing capacity available in the East, should it be needed. Some processors reports that more milk is being offered at "below Class" prices, which is common at this time of year. The condensed skim market is little changed, but offerings are increasing and demand is steady. More instances of lower prices for Class III wet solids have been noted, but most are within the range. The fluid cream market is weak and prices are often lower. The CME average butter price did move almost a penny lower and multiples are still quite low. Supplies are excessive and many loads are still clearing to local and Midwest butter makers. More reports indicate that the ice cream trade has not yet taken off like most anticipated. It may be the weather or the economy, but cream suppliers say that orders from ice cream makers are not as heavy as they were a year ago. Bottled cream production is mostly steady, but as the strawberry season progresses, bottled cream sales usually pick up. Churning activity is steady at heavy levels.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3010-1.4528
DELIVERED EQUIVALENT ATLANTA	-	1.3227-1.4528 M 1.3444-1.3878
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.3444-1.4637

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .8500- .9800
NORTHEAST- CLASS III - SPOT PRICES	- .7400- .8000*

*CORRECTION: LAST WEEKS'S PRICE SHOULD HAVE BEEN \$.7400-.8000

M I D W E S T

Severe storms in some areas, mainly in parts of Missouri and Illinois, resulted in at least one temporary large plant closing due to power problems as well as a few reports of barn/farm damage. This also impacted demand, including schools, in some locations. Otherwise, Class I demand was about steady with recent weeks in most areas. The closing of schools in a few weeks will, as usual, back additional volumes of milk into manufacturing channels. Manufacturing milk interest is uneven week to week and by plant. Reported spot manufacturing milk prices range from -\$1.00 to +\$1.00 with much in the flat class to +\$0.50. Ice cream demand for cream is good and overtime is common at plants trying to build inventory or stay ahead on orders. For others, demand still seems to be lagging due to cool and often rainy conditions. Demand from other Class II cream users is also strong. Current milk intakes are little changed on a week to week basis. The weather has

stymied most planters due to wet conditions. Much of the Central area corn crop has been planted though some areas are lagging. Some areas where heavier rain and "ponding" occurred may have to replant. Despite recent rains, many areas continue to lag in annual to date precipitation. In the upper tier of states, cool temperatures have slowed lawn and alfalfa growth. While most cows are out on pasture, the wet conditions can cause increased turf damage.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAY 1 - 7	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.75- 45.00	\$ 39.00- 45.00
REPLACEMENT HEIFER CALVES	\$200.00-330.00	\$500.00-650.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAY 1 - 7	PREVIOUS YEAR
SLAUGHTER COWS	\$ 40.00- 48.75	\$ 37.50- 46.50

W E S T

The April 4a price (butter/powder) in CALIFORNIA is \$9.56, up \$0.10 from March but \$1.17 lower than last year. This compares to the Federal Order Class IV price for April at \$9.73. The April 4b price (cheese) is \$9.21, up \$0.37 from March but \$1.38 lower than last year. This compares to the Federal Order Class III price for April at \$9.41. CALIFORNIA milk production levels are showing some effects of the recent weather conditions in the state. There are some processors who think local areas may have peaked, but are not certain. The rains and wet conditions in the far northern areas are resulting in cows not being pastured. Forage growth is moving past optimum feed levels and not being grazed or cut because of the conditions. Milk production is stalling and producers are having to use stored forage and purchase feed they would rather not. Conditions are generally favorable in the Central Valley. Rains are not impacting the cows that much. The moisture is welcomed from a water management and crop growth perspective. Milk production is outpacing year ago levels in the 2 to 3% range. In the far southern production areas, milk output has leveled at what could be the seasonal peak. Wet conditions and milk temperatures are prevalent. Biting flies are hatching and causing some problems. Milk prices within the state remain low and more producers are feeling financial stress as the period of low prices continues. ARIZONA milk production levels are being helped by seasonally mild temperatures. Milk intakes are at or near peak levels. Plants are able to handle local supplies and milk from nearby states. NEW MEXICO continues to experience moderate weather conditions with sustained winds. Milk output is steady to slightly higher and moving towards a peak. Milk is being moved around to other outlets due to a plant taking less milk in the state. The CME Grade AA butter price has maintained a weekly average around the \$1.0850 to \$1.0950 range since the beginning of March. The cream markets in the West have remained weak during this time. Supplies of cream remain in excess of needs and surplus continues to move to churns for processing. Other class usages have seen some increases around the spring holidays, but many of those have subsided. Demand from ice cream manufacturers is not where expected, although some are beginning to take more cream. Western cream multiples are unchanged in the range from 110 to 123, FOB, depending on class usage. The PACIFIC NORTHWEST coast is beginning to dry out somewhat, but it still remains very wet. The conditions are causing problems for both pasturing of animals and harvesting of forage for silage. It has been too wet long enough that forage is quite a bit past its prime. This means that the feed value available is declining and that producers have to use hay for supplemental feeding. This is increasing their cost of doing business. Cool conditions on the east side are delaying the harvest of new crop alfalfa for hay. Some scattered frost was noted. Hay growers are wondering how aggressive milk producers will be looking for hay with the current milk prices. Milk supplies are generally steady with slight increases noted. A monthly heifer sale in the region saw heavy offerings and very good buyer demand last week. Prices were \$50-150 higher for very good quality animals. Many of them ended up going to California. Conditions are cooler than normal in UTAH and IDAHO. Some moisture has fallen with better amounts in IDAHO. The cooler weather means that less water is needed for continued crop growth and that is the good news. The bad news is that overall, water is short and problems are expected by the middle of the summer. First cutting hay may be harvested around May 20. Milk supplies are increasing seasonally and some producers desiring to switch handlers, for whatever reason, are having difficulty finding willing companies. Average heifer prices at a weekly sale in the region have been between \$1250-1350 since February. Buying activity is fair.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged on a steady market. Milk production continues to be seasonally heavy, encouraging the production of condensed skim. Interest in condensed skim is good into cheese and ice cream facilities, alleviating some condensed skim movement into dryers. Production is mostly directed toward low heat with high heat product clearing contractually from inventoried stocks. Concerns continue to be expressed regarding the NDM/cheese exchange and NDM/drought programs issued by the CCC since the implications of such programs have yet to be clearly realized. Dry NDM movement in the Central region is light with traders generally opting to instead purchase additional supplies from the West.

EAST: Eastern prices are mostly steady and the market tone is little changed. Surplus milk volumes continue to increase in the more northern areas of the East. Milk volumes were also long in the Southeast where storms disrupted power and transportation schedules. The demand for condensed skim remains sluggish and drying is heavy. Plant stocks are more than ample and sales to CCC continue from some operations. Commercial sales are steady at best. Spot buyers appear content to purchase loads as needed and look for the best deals. Some CCC-reject powder is moving at prices near the low end of the range. Despite the "tag" of CCC-reject, this NDM usually meets USDA's Extra Grade standards.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during March 2003 totaled 146.2 million pounds, down 4.5% from March 2002 but 12.2% above February 2003. Month ending stocks, at 117.1 million pounds, are 26.7% below a year ago but 0.8% higher than last month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .8000 - .8750 MOSTLY: .8000 - .8450
HIGHHEAT: .8600 - .9150

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are unchanged. The market tone remains weak. Production levels are higher to process the heavy, seasonal milk volumes in the region. Manufacture of NDM for contracted export programs has increased. However, large weekly offerings continue to clear to the price support program. Buying interest for spot orders remains light with buyers having little urgency to make advance purchases. During the week of April 28 - May 2, CCC net purchases totaled 11.6 million pounds of NDM from Western producers. High heat NDM prices are slightly lower on the bottom end of the range. Sales are typically light. Drying schedules are mostly light. Many facilities still have room and time to make high heat as needed. Demand is often lighter than anticipated. U.S. NDM production in March totaled 146.2 million pounds, down 4.5% from last year but 12.2% higher than February. March production in the Western region totaled 110.6 million pounds, down 1.1% from last year. Western states' production levels with comparisons to last year are: California, 68.3 million pounds, -3.2%; and Idaho, 6.4 million pounds, -20.5%. U.S. manufacturers' stocks at the end of March were reported at 117.1 million pounds, down 26.7% from last year but up 0.8% from last month.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .7900 - .8875 MOSTLY: .7950 - .8075
HIGHHEAT: .8200 - .8400

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
May 2	\$.8005	18,728,064	10,873,257
April 25	\$.8024	13,379,703	7,970,838

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal. The undertone is mixed with producer comments indicating that the market is both weak and firm. Trades to affirm either position are non-existent with offers generally reported at the average for the lackluster interest. Sales of condensed buttermilk are good, reducing production of dry buttermilk at some locations. Inventories of dry buttermilk are in balance to long at some locations. Dry buttermilk production during March 2003 totaled 5.7 million pounds, down 3.6% from March 2002 and 11.3% lower than February 2003. Month ending stocks, at 11.2 million pounds, are 16.2% above last year and 5.4% higher than last month.

F.O.B. CENTRAL: .6800 - .7000

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower and the market is weak. Eastern prices are nominal. There continues to be a limited amount of spot trading activity in the East. Production levels are up slightly, but many dryers are near capacity processing skim. Condensed sales are starting to improve seasonally, but contacts feel that ice cream output is not picking up as quickly as expected. Plant stocks are balanced to fully adequate. Dry buttermilk production during March 2003 totaled 5.7 million pounds, down 3.6% from last March and 11.3% less than February 2003. Month ending stocks, at 11.2 million pounds, are 16.2% more than last year and 5.4% more than a month ago.

F.O.B. NORTHEAST: .7000 - .7100
DELVD SOUTHEAST: .7000 - .7550

DRY BUTTERMILK - WEST

Dry buttermilk prices are moving lower. The market tone is weaker. Offerings are increasing from several sources following limited sales in recent weeks. Buyers remain reluctant to buy buttermilk in the current market conditions. Condensed buttermilk sales are steady with limited increases noted from ice cream producers. Stocks remain in excess of trade needs. U.S. dry buttermilk production in March totaled 5.7 million pounds, down 3.6% from last year and 11.3% lower than February. Stocks at the end of March were reported at 11.2 million pounds, 16.2% more than last year.

F.O.B. WEST: .6600 - .7300 MOSTLY: .6900 - .7100

DRY WHOLE MILK - NATIONAL

Prices are mixed and the market tone is steady. Production levels remain relatively light as most producers are too busy processing skim. However, some dryers with "decent orders in hand" are making more dry whole milk. Demand is mostly contractual, but spot interest is noted at the lower end of the range. Plant stocks are closely balanced. Dry whole milk production during March 2003 totaled 3.4 million pounds, up 78.3% from March 2002 and 29.1% more than February 2003. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT: 1.0325 - 1.1400

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2002 THROUGH MAY 2, 2003
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK - 68,201 MT (150,355,592 LBS)
Program's NDM allocation is filled.

CHEESE - 3,029 MT (6,677,733 LBS)

BUTTERFAT - 5,000 MT (11,023,000 LBS)

Allocations for the DEIP year beginning July 1, as announced September 13: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT. This program-year's allocations have been announced in stages. The third stage was announced on February 25, 2003, and makes available 25,575 MT of NDM, 1,136 MT of cheese, and 5,000 MT of butterfat. This announcement fills the NDM and cheese allocations for this DEIP-year.

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are lower on a weak market. Trading activity is light due in part to the reduced cost of substitutes such as permeate or Western whey. In general, end-user interest is lackluster both domestically and internationally. Some traders are having difficulty in clearing contractual loads. Production is steady with many plants operating at full capacity. Inventories are heavier than desired at some locations, encouraging reduced offering prices. Bids are noted below 13 cents. Production of human food, dry whey during March 2003 totaled 95.8 million pounds, 4.4% more than March 2002 and 13.9% above February 2003. Month ending stocks, at 43.5 million pounds, are 2.6% above a year ago and 18.6% more than February 2003.

F.O.B. CENTRAL: .1400 - .1550 MOSTLY: .1400 - .1475

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower and the market tone remains weak. Production levels are steady to heavier as surplus milk volumes are growing in the Northeast. There are still reports of some cheese makers limiting their output because cheese orders are so slow. Other operations continue to run at near capacity levels. Dry whey output is mostly steady, but some dryers that buy condensed whey are not aggressively seeking additional volumes. Plant stocks are growing at some locations. With prices as low as they are, some producers are giving consideration to storing product until prices rebound. Some producers state that they are barely recovering production costs. Spot demand remains sluggish. Production of human food, dry whey during March 2003 totaled 95.8 million pounds, 4.4% more than March 2002 and 13.9% above February 2003. Month ending stocks, at 43.5 million pounds, are 2.6% above last year and 18.6% more than a month ago. Production of animal feed, dry whey during March totaled 5.4 million pounds, 16.2% more than a year ago and 17.5% above January 2003.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .1450 - .1725
DELVD SOUTHEAST: .1700 - .1825

DRY WHEY - WEST

Western whey range prices adjusted both higher and lower. The mostly price declined fractionally. More interest was noted this week, but stock levels at many locations remain heavier than desired. Production levels are seasonally heavy. U.S. whey production in March totals 95.8 million pounds, up 4.4% from last year. Stocks at the end of March total 43.5 million pounds, up 2.6% from last year. March output in the Western region totals 25.3 million pounds, only fractionally heavier than last year. The West accounts for about 26% of U.S. output.

NONHYGROSCOPIC: .1250 - .1625 MOSTLY: .1300 - .1425

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a steady to weak market. Supplies of milk replacer are more available than the week prior yet stocks appear to be in better balance than the Extra Grade market. Interest is fair at best. Production of animal feed dry whey during March 2003 totaled 5.4 million pounds, 16.2% higher than a year ago and 17.5% more than February 2003. Month ending stocks, at 1.9 million pounds, are 65.3% above a year ago and 14.5% higher than last month.

F.O.B. CENTRAL:
MILK REPLACER: .1250 - .1375

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are generally unchanged to lower on a weak market. Plants that produce Grade A product or cater to a specialized market are able to garner a premium on their sales and are limited on their stocks. However, at other locations, supplies are heavy, encouraging discounting that is not stimulating much new interest domestically or internationally. WPC 80% is readily available from domestic and foreign sources. Unconfirmed trades are reported below the range. Buyers are taking product only on an as needed basis. Production is unchanged to higher due to the increased intake of condensed whey at some locations. Condensed WPC is readily available for the light interest. Production of HUMAN FOOD WPC during March 2003 totaled 28.7 million pounds, up 11.7% from March 2002 but 5.7% below February 2003. Manufacturers end-of-month stocks totaled 25.5 million pounds, 2.0% higher than a year ago and 12.4% above last month. Production of ANIMAL FEED WPC during March 2003 totaled 2.9 million pounds, down 13.1% from March 2002 and 2.7% below February 2003. Manufacturers end-of-month stocks totaled 1.8 million pounds, 34.8% above last year but 1.3% lower than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .4400 - .5075 MOSTLY: .4500 - .4775

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady to firm market. While substitutes such as permeate and whey trade lower than lactose, interest in lactose remains strong from domestic and export markets. Buyers state that lactose is more specialized in some formulations and therefore is not readily replaced by whey or permeate. Some producers are shorting their contractual commitments while others have a few extra loads to clear. Production is steady to higher as excess volumes of condensed whey filters into some WPC/lactose operations. Some plants anticipate reduced whey intakes due to the recent reduced interest in WPC. Feed grade supplies are available and trading within the range. Lactose production during March 2003 totaled 54.1 million pounds, up 9.8% from March 2002 and 12.2% higher than February 2003. Month ending stocks, at 44.7 million pounds, are 1.0% higher than a year ago and 12.7% above last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1600 - .2350 MOSTLY: .1650 - .1900

CASEIN - NATIONAL

Casein prices are generally steady, although the market tone remains firm. Domestic buyers report that supplies are adequate and most shipments are as scheduled. Production reports from some sourcing countries are giving cause for concern by some domestic buyers, although at this time, most all needs are being covered. Many buyers feel that their future needs will be filled, although most anticipate prices to remain firm.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.9500 - 2.1500
ACID: 1.9500 - 2.0500

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels remain heavy as surplus milk volumes continue to grow. Most producers continue to build inventories. Demand is slower and just for replacement needs. Canned evaporated milk production during March totaled 51.7 million pounds, 6.4% less than March 2002 but 44.9% more than February 2003. Month ending stocks, at 54.6 million pounds, are 25.0% more than a year ago but 3.9% below last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$18.00 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	04/23	04/24	04/25	04/28	04/29	04/30	05/01	05/02	05/05	05/06
CME - (CLASS III) MILK FUTURES -- Dollars per cwt										
APR 03	9.35 (3205) 7	9.36 (3205) 1	9.40 (3205) 0	9.40 (3207) 2	9.41 (3209) 3	9.41 (3371) 147	9.41 (3234) 0	9.41		
MAY 03	9.65 (4068) 7	9.65 (4063) 45	9.71 (4069) 10	9.71 (4069) 5	9.75 (4070) 23	9.86 (4184) 254	9.90 (4124) 102	9.87 (4098) 53	9.86 (4082) 62	9.84 (4084) 2
JUN 03	10.00 (4164) 64	10.03 (4168) 11	10.15 (4176) 30	10.22 (4203) 166	10.33 (4203) 118	10.45 (4217) 147	10.50 (4264) 90	10.34 (4263) 22	10.30 (4267) 22	10.34 (4284) 44
JUL 03	10.63 (3561) 139	10.62 (3609) 94	10.71 (3617) 63	10.83 (3619) 133	11.00 (3625) 134	11.27 (3668) 316	11.30 (3680) 155	10.95 (3668) 100	10.87 (3677) 36	10.90 (3679) 63
AUG 03	11.02 (3023) 51	11.05 (3039) 54	11.19 (3036) 33	11.28 (3061) 49	11.40 (3092) 79	11.61 (3185) 315	11.73 (3217) 135	11.50 (3247) 76	11.38 (3239) 33	11.38 (3240) 82
SEP 03	11.79 (2881) 48	11.79 (2882) 29	11.88 (2894) 64	11.98 (2904) 73	12.14 (2932) 142	12.37 (3009) 253	12.43 (3050) 172	12.18 (3062) 60	12.00 (3071) 42	12.04 (3177) 188
OCT 03	11.87 (2427) 37	11.87 (2439) 19	11.93 (2453) 68	12.00 (2471) 81	12.16 (2503) 101	12.33 (2598) 238	12.26 (2622) 109	12.06 (2605) 43	11.91 (2624) 21	11.96 (2649) 69
NOV 03	11.69 (1756) 29	11.79 (1773) 30	11.76 (1818) 131	11.75 (1845) 45	11.99 (1866) 137	12.05 (1932) 124	11.93 (1953) 69	11.80 (1949) 29	11.61 (1956) 28	11.70 (1991) 56
DEC 03	11.60 (1502) 31	11.67 (1501) 10	11.63 (1528) 176	11.66 (1552) 43	11.80 (1549) 115	11.78 (1614) 120	11.70 (1611) 42	11.53 (1614) 21	11.40 (1621) 19	11.55 (1631) 46
JAN 04	11.55 (242) 2	11.60 (257) 17	11.56 (264) 7	11.45 (274) 12	11.50 (277) 6	11.60 (266) 31	11.60 (269) 3	11.59 (270) 1	11.44 (278) 84	11.50 (286) 26
FEB 04	11.55 (198) 0	11.56 (200) 2	11.55 (200) 0	11.50 (200) 0	11.50 (205) 5	11.56 (210) 11	11.54 (217) 11	11.53 (219) 2	11.45 (224) 56	11.45 (230) 18
MAR 04	11.42 (119) 1	11.43 (122) 3	11.42 (122) 0	11.42 (122) 0	11.40 (125) 7	11.46 (130) 5	11.44 (134) 4	11.44 (140) 10	11.34 (141) 3	11.40 (151) 33
APR 04	11.37 (93) 0	11.38 (93) 2	11.40 (93) 0	11.40 (94) 1	11.38 (94) 2	11.41 (100) 7	11.40 (103) 6	11.35 (103) 1	11.26 (104) 3	11.30 (105) 1
MAY 04	11.25 (79) 0	11.25 (79) 0	11.25 (79) 0	11.25 (79) 1	11.35 (79) 0	11.35 (85) 12	11.30 (86) 1	11.30 (87) 2	11.22 (88) 2	11.40 (93) 5
JUN 04	11.58 (77) 0	11.58 (77) 0	11.58 (77) 0	11.58 (79) 2	11.65 (79) 0	11.65 (84) 5	11.55 (85) 7	11.54 (86) 4	11.43 (88) 2	11.65 (88) 0
JUL 04	11.94 (51) 0	11.94 (60) 12	12.05 (60) 0	12.05 (62) 18	12.25 (64) 6	12.30 (68) 5	12.25 (68) 17	12.20 (69) 1	12.10 (71) 2	12.15 (72) 2
AUG 04	12.00 (41) 0	12.00 (43) 2	12.05 (43) 0	12.05 (45) 4	12.30 (46) 1	12.30 (51) 5	12.30 (53) 2	12.30 (55) 2	12.20 (55) 0	12.25 (56) 1
SEP 04	12.30 (19) 0	12.30 (25) 6	12.30 (25) 0	12.30 (25) 0	12.50 (25) 0	12.50 (29) 4	12.50 (31) 2	12.50 (34) 2	12.40 (35) 1	12.45 (36) 1

CME - (CLASS IV) MILK FUTURES - Dollars per cwt.

APR 03	9.85 (14) 0	9.85 (14) 0	9.85 (14) 0	9.85 (14) 0	9.85 (14) 0	9.85 (14) 0	9.85 (14) 0	9.73		
MAY 03	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0	10.15 (8) 0
JUN 03	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0	10.15 (5) 0
JUL 03	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0	10.17 (11) 0
AUG 03	10.25 (36) 0	10.25 (36) 0	10.25 (36) 2	10.15 (36) 0	10.15 (36) 0	10.15 (36) 0	10.15 (36) 0	10.15 (36) 0	10.15 (36) 0	10.15 (36) 0
SEP 03	10.30 (20) 0	10.30 (20) 0	10.30 (20) 0	10.30 (25) 5	10.20 (25) 0	10.20 (25) 0	10.20 (25) 0	10.20 (25) 0	10.20 (25) 0	10.20 (25) 0

CME - BUTTER FUTURES -- Cents per pound

MAY 03	109.25 (369) 4	109.25 (366) 81	109.10 (327) 44	108.52 (334) 60	108.52 (333) 36	109.00 (314) 25	108.75 (312) 9	109.50 (318) 40	109.00 (205) 7	109.00 (204) 0
JUL 03	112.50 (428) 2	112.50 (429) 9	112.50 (462) 35	112.25 (470) 57	112.25 (475) 47	112.25 (474) 2	112.25 (476) 3	113.25 (513) 39	113.00 (512) 1	112.50 (512) 0
SEP 03	115.25 (352) 0	115.25 (353) 1	115.25 (353) 0	115.25 (358) 5	115.25 (358) 0	115.25 (360) 2	115.25 (360) 0	115.25 (360) 0	115.25 (370) 11	115.00 (370) 0
OCT 03	116.75 (274) 0	116.75 (274) 0	116.75 (274) 0	116.75 (274) 0	116.75 (274) 0	116.75 (276) 2	116.25 (279) 3	116.00 (279) 0	116.25 (279) 0	116.25 (279) 0
DEC 03	119.00 (80) 0	119.00 (80) 0	119.00 (80) 0	119.00 (80) 0	118.50 (80) 0	118.50 (80) 0	116.55 (81) 3	117.00 (81) 0	117.00 (81) 0	117.00 (81) 0
MAR 04	127.75 (36) 0	127.75 (36) 0	127.75 (36) 0	127.75 (36) 0	127.75 (36) 0	127.75 (41) 5	126.27 (41) 0	126.50 (41) 2	126.50 (41) 0	126.50 (43) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered April 25 - May 9, 2003

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERNEUROPE: During the past two weeks, spring has finally arrived in many European countries, weather wise. Warmer temperatures and rainfall are two factors contributing to more favorable early spring conditions than in past weeks. Pastures are greening and cows are once again grazing, causing milk output to gain momentum. More dairy plant managers are reporting growing milk volumes from one week to the next. Production schedules are also on the increase at most locations. International sales activity continues to be reported as slow and unaggressive. A firm Euro against the U.S. dollar is adding to sales frustrations by producers and handlers. At this time, with the Euro gaining strength on the dollar from one day to the next, traders and exporters are finding it very difficult to price and finalize any buyer interest. Some producers and handlers are lobbying the EU Management Committee to increase export refunds in hopes of helping stimulate buyer interest. The next management meeting will be May 15, but traders and handlers state that they do not necessarily have to wait for the meeting to announce an adjustment. As milk production increases, thus is production of manufactured dairy products. In many instances, due to a lack of international sales and a domestic market that is not keeping pace with output, new stocks are clearing to inventory. Producers of skim milk powder are reporting that more are preparing powder for intervention offering. Although this clearance is heavier than many anticipated earlier this spring, total volumes are still expected to not breach the 109,000 MT level during the open season.

BUTTER/BUTTEROIL: European butter markets are generally steady at unchanged prices. Stocks of butter are starting to increase as domestic demand and slow international sales are not keeping pace with production. Inventories are building in most sectors. Producers and handlers are not overly optimistic about near term sales but are hopeful that buyer interest will resume soon.

82% BUTTERFAT:	1,250 - 1,300
99% BUTTERFAT:	1,550 - 1,650

SKIM MILK POWDER (SMP): European skim milk powder markets are generally steady at slightly higher prices. Price strength is occurring due to a firm Euro versus supply/demand. Skim powder production is increasing seasonally. Domestic and international demand is slow and unaggressive, thus causing surplus production to clear to inventory and intervention. Producers and handlers are surprised at the heavier than anticipated clearance to intervention. Although clearances are heavier, most producers, handlers, and traders do not foresee the 109,000 MT intervention maximum level being breached.

1.25% BUTTERFAT:	1,700 - 1,750
------------------	---------------

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady at slightly higher prices. Producers and handlers report that seasonal production is increasing on a steady basis. In many instances, production is surpassing demand, thus surplus is clearing to inventory. At this point, most European producers are not overly concerned about building inventories, but are hopeful that international buying interest will resume shortly. Firmer prices due to the Euro are limiting sales at this time with many producers and handlers lobbying the EU Management Committee for an export subsidy adjustment soon.

26% BUTTERFAT:	1,650 - 1,700
----------------	---------------

SWEET WHEY POWDER: Whey powder markets are unsettled with prices unchanged to slightly higher, although the market undertone is weak. A firm Euro is giving strength to whey prices versus supply/demand. Stocks of whey powder are reported to be readily available and building. Most producers, handlers, and traders continue to closely monitor their supply situation and adjust their prices accordingly in hopes of encouraging buyer interest.

NONHYGROSCOPIC:	375 - 450
-----------------	-----------

OVERVIEW: EASTERN EUROPE: Milk production in Eastern Europe is starting to show more positive signs of seasonal increases than in past weeks. Weather conditions in this region of Europe are also becoming more conducive to steady production growth. Stocks of manufactured dairy products are low, although as milk output increases, thus will production schedules and stocks. No significant new buyer interest is being reported from this region.

OCEANIA

OCEANIA OVERVIEW: Milk production in the Oceania regions is at or very near the bottom of the seasonal cycle. In New Zealand, the annual production cycle appears to be nearer the bottom than in Australia. In New Zealand, for those producers that are still in the production cycle, reports indicate that they will be closing out their season within the next few weeks. Milk continues to flow into manufacturing facilities, although the volumes are basically declining daily. As is typically the pattern at this time of the year, manufacturing plants are directing seasons' end milk production toward products of most need. At this time and where possible, drying of milk powders are the most active. Some late season rainfall is occurring in areas which is giving a boost to pasture growth and a slight extension to the milk production season. At this point, reports continue to project annual milk production to about 2% ahead of last year. In Australia, the milk production season also continues seek a seasonal end. Lower milk production reports, compared to last season, continue to occur out of Victoria, the main production area of the country. Limited rainfall throughout the production season is the main factor producers and handlers are attributing to the projected 10 - 11% downturn in milk output. Some late season rainfall is being reported in areas, but too late for this year. Producers are hopeful that moisture during the upcoming winter season will be generous to replenish depleted water levels so that they will be able to start the new production season on a positive basis. International sales activity out of the Oceania region remains slow and unaggressive. As has been the situation over much of the season, most sales were acknowledged early in the milk production year and shipments are occurring from those sales. Producers, handlers, and buyers are closely monitoring the supply situation as previous sales were acknowledged on stronger milk production patterns than actually developed within the Oceania region. At this point, producers and handlers feel that they will have adequate stocks to fill known needs, but will probably have very little, if any, additional volumes for spot buyer interest. Although still months away, many Oceania milk producers and handlers are already optimistically looking forward to the new production season.

BUTTER: Oceania butter markets are steady at basically unchanged prices. Basically, the butter production season in the Oceania region has concluded and future needs will be filled from inventoried stocks. Stocks of butter are reported to be in balance with demand. Most producers and handlers indicate that they have adequate volumes of butter for known needs, but are hesitant at this time to acknowledge additional stocks are available for spot buyer needs.

82% BUTTERFAT:	1,250 - 1,275
----------------	---------------

CHEDDAR CHEESE: Oceania cheese markets are basically steady at unchanged prices. The cheese production season is winding down and most market activity is centering around shipments from inventoried stocks. No new sales are being reported at this time. Oceania traders anticipate that market activity will remain quite stable during the upcoming winter months and will resume in a few months as the new milk production season develops. Oceania traders are optimistic that economic conditions and SARS in some of their regular customer countries will not negatively impact future sales.

39% MAXIMUM MOISTURE:	1,700 - 1,950
-----------------------	---------------

SKIM MILK POWDER (SMP): Skim milk powder markets and prices are generally unchanged. No new developments are being reported in the skim market from New Zealand or Australia. Manufacturing schedules in the Oceania region are nearing a seasonal end, although late season milk volumes are clearing through driers versus other manufactured dairy products. International buyer interest remains slow. At this time, most transactions are centering around shipments of previously placed orders. Oceania traders and handlers do not anticipate much buyer interest coming their way until the new milk production season resumes in a few months.

1.25% BUTTERFAT:	1,650 - 1,750
------------------	---------------

WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady with prices unchanged to slightly lower. International sales are reported to be slow with most market activity centering around shipments of previously placed orders. As the Oceania milk production season comes to an end, late season milk volumes are clearing through driers versus production of other manufactured dairy products. Stocks of whole milk powder are reported to be in balance with needs, with minimal volumes, if any, available for spot buyer needs.

26% BUTTERFAT:	1,725 - 1,775
----------------	---------------

Exchange rates for selected foreign currencies: May 5, 2003

.7082 Canadian Dollar	.0211 Indian Rupee
.3575 Argentina Peso	.5672 New Zealand Dollar
.0981 Mexican Peso	.6348 Australian Dollar
.2655 Polish Zloty	.0084 Japanese Yen
	1.1282 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0981)= 10.1937. That is 1 US Dollar equals 10.1937 Mexican Pesos. Source: "Wall Street Journal"

**ANNUAL MILK MARKETINGS BY PRODUCERS AND CASH RECEIPTS FROM MARKETINGS,
BY STATE, 2002**

State	Milk Marketed by Producers		Cash Receipts from Marketings	
	Quantity <u>1/</u>	Fluid Grade <u>2/</u>	Total	Average Return <u>3/</u>
	Mil. lbs.	Percent	1,000 Dollars	\$/cwt.
AL	275	100	38,500	14.00
AK	16.88	100	3,444	20.40
AZ	3,417	100	399,789	11.70
AR	385	100	50,820	13.20
CA	34,848	99	3,812,371	10.94
CO	2,127	100	250,986	11.80
CT	443	100	58,476	13.20
DE	152.9	100	20,336	13.30
FL	2,328	100	356,184	15.30
GA	1,460	100	192,720	13.20
HI	95.2	100	22,467	23.60
ID	8,122	99	917,786	11.30
IL	2,036	98	242,284	11.90
IN	2,580	97	317,340	12.30
IA	3,763	97	459,086	12.20
KS	1,999	100	233,883	11.70
KY	1,580	99	208,560	13.20
LA	568	100	73,840	13.00
ME	651	100	86,583	13.30
MD	1,317	100	173,844	13.20
MA	357	100	47,124	13.20
MI	5,885	99	712,085	12.10
MN	8,358	96	1,011,318	12.10
MS	476	100	62,356	13.10
MO	1,919	96	236,037	12.30
MT	334	100	41,082	12.30
NE	1,157	98	141,154	12.20
NV	479	100	51,253	10.70
NH	325	100	42,250	13.00
NJ	233	100	29,824	12.80
NM	6,251	100	743,869	11.90
NY	12,154	100	1,555,712	12.80
NC	1,121	100	154,698	13.80
ND	571	74	67,378	11.80
OH	4,450	94	560,700	12.60
OK	1,280	100	172,800	13.50
OR	2,074	100	259,250	12.50
PA	10,742	99	1,482,396	13.80
RI	22.8	100	3,032	13.30
SC	361	100	48,735	13.50
SD	1,392	93	178,176	12.80
TN	1,310	99	172,920	13.20
TX	5,276	100	680,604	12.90
UT	1,639	98	193,402	11.80
VT	2,684	100	340,868	12.70
VA	1,883	100	267,386	14.20
WA	5,592	100	671,040	12.00
WV	240	100	30,480	12.70
WI	21,825	96	2,662,650	12.20
WY	62.3	79	7,102	11.40
US <u>4/</u>	168,617	98	20,546,980	12.19

1/ Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and small amounts sold directly to consumers. Also includes milk produced by institutional herds. 2/ Percentage of milk sold that is eligible for fluid use (grade A in most States). Includes fluid-grade milk used in manufacturing dairy products.

3/ Cash receipts divided by milk marketings. 4/ May not add due to rounding.

Source: "Milk Production, Disposition and Income, 2002 Summary," Da 1-2(03), National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, APRIL

Component Price Information: Under the Federal milk order pricing system, the butterfat price for April 2003 is \$1.1503 per pound. Thus, the Class II butterfat price is \$1.1573. The protein and other solids prices for April are \$1.8006 and \$-0.0008 per pound, respectively. These component prices set the Class III skim milk price at \$5.58 per cwt. The April Class IV skim milk price is \$5.91 which is derived from the nonfat solids price of 0.6564 per pound.

Product Price Averages: The product price averages for April are; butter \$1.0736, nonfat dry milk \$0.8030, cheese \$1.0997, and dry whey \$0.1582.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	APRIL 2003				MAY 2003
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	12.89	10.44	9.41	9.73	12.96
Appalachian (Charlotte) 5/	005	12.74	10.44	9.41	9.73	12.81
Southeast (Atlanta) 6/	007	12.74	10.44	9.41	9.73	12.81
Florida (Tampa) 7/	006	13.64	10.44	9.41	9.73	13.71
Mideast (Cleveland) 8/	033	11.64	10.44	9.41	9.73	11.71
Upper Midwest (Chicago) 9/	030	11.44	10.44	9.41	9.73	11.51
Central (Kansas City) 10/	032	11.64	10.44	9.41	9.73	11.71
Southwest (Dallas) 11/	126	12.64	10.44	9.41	9.73	12.71
Arizona-Las Vegas (Phoenix) 12/	131	11.99	10.44	9.41	9.73	12.06
Western (Salt Lake City) 13/	135	11.54	10.44	9.41	9.73	11.61
Pacific Northwest (Seattle) 14/	124	11.54	10.44	9.41	9.73	11.61
All-Market Average	---	12.22	10.44	9.41	9.73	12.29

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans, plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I price at Boise is minus \$0.30.

14/ Class I prices at other cities are: Portland, same; and Spokane, same.

MARCH 2003 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 126.6 million pounds in March, 0.9 percent below March 2002 and 1.4 percent below February 2003. **AMERICAN TYPE CHEESE** production totaled 315.9 million pounds, 1.9 percent below March 2002 but 10.6 percent above February 2003. **TOTAL CHEESE** output (excluding cottage cheese) was 733.1 million pounds, 1.3 percent below March 2002 but 12.2 percent above February 2003. **NONFAT DRY MILK** production, for human food, totaled 146.2 million pounds, 4.5 percent below March 2002 but 12.2 percent above February 2003. **DRY WHEY** production, for human food, was 95.8 million pounds, 4.4 percent above March 2002 and 13.9 percent above February 2003. **ICE CREAM** (hard) production totaled 73.4 million gallons, 3.2 percent below March 2002 but 3.9 percent above February 2003.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	MAR 2003	PERCENT CHANGE FROM:			PRODUCT	MAR 2003	PERCENT CHANGE FROM:		
	1,000 LBS.	MAR 2002	FEB 2003	YEAR TO DATE 1/		1,000 LBS.	MAR 2002	FEB 2003	YEAR TO DATE 1/
BUTTER	126,553	-0.9	-1.4	1.1	SOUR CREAM	50,145	---	20.9	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	194,554	4.2	8.7	---
AMERICAN TYPES 2/	315,948	-1.9	10.6	-1.2	CONDENSED WHEY, SOLIDS CONTENT 6/				
CHEDDAR	240,852	-4.8	10.1	-2.7	SWEET-TYPE, HUMAN FOOD	8,166	-12.7	-8.4	---
SWISS	21,768	4.7	6.9	---	SWEET-TYPE, ANIMAL FEED 7/				---
BRICK & MUENSTER	7,304	9.7	10.2	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	54,722	-7.9	23.9	---	DRY WHEY, HUMAN FOOD	95,802	4.4	13.9	---
HISPANIC	11,310	16.3	20.7	---	DRY WHEY, ANIMAL FEED	5,435	16.2	17.5	---
MOZZARELLA	243,079	-1.4	11.5	-1.9	REDUCED LACTOSE AND MINERALS				
OTHER ITALIAN TYPES	62,466	2.8	14.5	1.7	HUMAN FOOD	1,993	-75.9	-51.4	---
TOTAL ITALIAN TYPES	305,545	-0.6	12.1	-1.2	ANIMAL FEED	3,445	-2.0	6.0	---
ALL OTHER TYPES	16,507	-1.9	12.2	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	54,145	9.8	12.2	---
TOTAL	733,104	-1.3	12.2	-1.1	WHEY PROTEIN CONCENTRATE				
COTTAGE CHEESE, CURD 3/	37,221	0.7	14.8	---	HUMAN FOOD	28,746	11.7	-5.7	---
COTTAGE CHEESE, CREAM 4/	31,932	1.0	9.5	2.0	ANIMAL FEED	2,949	-13.1	-2.7	---
COTTAGE CHEESE, LOWFAT 5/	32,201	0.6	9.7	1.2	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAPORATED & CONDENSED					ICE CREAM (HARD)	73,363	-3.2	3.9	-1.6
WHOLE MILK	51,696	-6.4	44.9	---	ICE CREAM, LOWFAT (HARD)	10,309	9.2	22.5	---
DRY WHOLE MILK	3,358	78.3	29.1	---	ICE CREAM, LOWFAT (SOFT)	25,248	17.9	44.8	---
NONFAT DRY MILK, HUMAN FOOD	146,237	-4.5	12.2	0.2	ICE CREAM, LOWFAT (TOTAL)	35,557	15.2	37.5	9.1
DRY SKIM MILK, ANIMAL FEED	379	-50.6	-18.1	---	SHERBET (HARD)	4,999	4.7	13.5	8.5
DRY BUTTERMILK	5,688	-3.6	-11.3	---	YOGURT (TOTAL)	5,792	-13.5	5.2	-7.6

MANUFACTURERS' STOCKS, END OF MONTH 8/

PRODUCT	MAR 2003	PERCENT OF:		PRODUCT	MAR 2003	PERCENT OF:	
	1,000 LBS.	MAR 2002	FEB 2003		1,000 LBS.	MAR 2002	FEB 2003
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	43,453	2.6	18.6	HUMAN FOOD	25,455	2.0	12.4
DRY WHEY, ANIMAL FEED	1,893	65.3	14.5	ANIMAL FEED	1,767	34.8	-1.3
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	10,412	25.7	-11.6	CANNED EVAPORATED & CONDENSED WHOLE MILK	54,570	25.0	-3.9
LACTOSE, HUMAN FOOD & ANIMAL FEED	44,739	1.0	12.7	NONFAT DRY MILK FOR HUMAN FOOD	117,138	-26.7	0.8
DRY BUTTERMILK, TOTAL	11,241	16.2	5.4				

1/ 2003 cumulative as percent change of 2002 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Not shown when fewer than three plants reported or individual plant operations could be disclosed. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (5-03), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MAY 5 - 9, 2003			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/02	SAME PERIOD LAST YEAR	WEEK ENDING 05/02/03	SAME PERIOD LAST YEAR
BUTTER							
Bulk	888,464	-0-	888,464	9,096,818	-0-	-0-	-0-
Packaged	369,360	-0-	369,360	697,680	-0-	-0-	-0-
TOTAL	1,257,824	-0-	1,257,824	9,794,498	-0-	-0-	-0-
CHEESE							
Block	305,032	-0-	305,032	6,232,244	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	5,545,706	-0-	-0-	-0-
Process	2,217,600	-0-	2,217,600	20,948,400	-0-	-0-	-0-
TOTAL	2,522,632	-0-	2,522,632	32,726,350	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	23,986,894	132,276	23,854,618	422,719,459	385,854,268	1,233,025,000	952,706,000
Fortified	125,332	-0-	125,332	125,332	-0-	46,391,000	46,391,000
TOTAL	24,112,226	132,276	23,979,950	422,844,791	385,854,268	1,279,416,000	999,097,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MAY 5 - 9, 2003 =	56.0	304.3	COMPARABLE PERIOD IN 2002 =	5.7	302.4
CUMULATIVE SINCE OCTOBER 1, 2002 =	608.6	5,247.1	CUMULATIVE SAME PERIOD LAST YEAR =	84.9	4,491.3
CUMULATIVE JANUARY 1 - MAY 9, 2003 =	534.5	3,981.5	COMPARABLE CALENDAR YEAR 2002 =	68.0	3,595.4

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF MAY 5 - 9, 2003 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	79,214	-0-	2,217,600	880,169	-0-
WEST	888,464	369,360	-0-	225,818	-0-	-0-	20,560,886	125,332
EAST	-0-	-0-	-0-	-0-	-0-	-0-	2,413,563	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/02 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02	2002/03	2001/02
CENTRAL	-0-	-0-	21,159,972	-0-	15,063,502	16,465,028	32.6	4.3
WEST	9,794,498	-0-	11,566,378	-0-	385,737,222	345,478,060	66.6	89.5
EAST	-0-	-0-	-0-	-0-	22,044,067	23,911,180	0.8	6.2
TOTAL	9,794,498	-0-	32,726,350	-0-	422,844,791	385,854,268	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/19/03 & Comparable Week 2002

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2003-Dairy	0.2	0.7	7.1	4.4	22.1	2.4	0.3	0.7	13.1	3.0	54.0	916.2
2002-Dairy	0.2	0.8	6.0	4.6	18.8	2.1	0.5	1.0	11.6	2.6	48.1	800.0
2003-All cows	0.2	0.9	9.6	13.9	32.6	14.9	15.9	3.6	14.8	6.8	113.1	1,844.1
2002-All cows	0.2	1.0	8.1	13.1	28.0	13.3	15.6	3.5	14.9	6.1	103.7	1,688.6

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74

FEDERAL MILK ORDER CLASS PRICES FOR 2003 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	10.56	10.23	9.81	9.64	9.71							
II	11.29	10.66	10.54	10.44								
III	9.78	9.66	9.11	9.41								
IV	10.07	9.81	9.79	9.73								

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfm03/mib/cls_prod_cmp_pr.htm